

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

**Project Staff Report
Tax-Exempt Bond Project
August 23, 2023**

North Housing Senior Apartments, located at 2000 Lakehurst Circle in Alameda, requested and is being recommended for a reservation of \$2,285,775 in annual federal tax credits to finance the new construction of 63 units of housing serving seniors with rents affordable to households earning 30%-40% of area median income (AMI). The project will be developed by Island City Development and will be located in Senate District 9 and Assembly District 18.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Multifamily Housing Program (MHP), Infill Infrastructure Grant (IIG), and Veterans Housing and Homelessness Prevention (VHHP) programs of HCD.

Project Number CA-23-542

Project Name North Housing Senior Apartments
Site Address: 2000 Lakehurst Circle
Alameda, CA 94501
County: Alameda
Census Tract: 4287.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,285,775	\$0
Recommended:	\$2,285,775	\$0

Applicant Information

Applicant: Mabuhay and Lakehurst LP
Contact: Vanessa Cooper
Address: 701 Atlantic Avenue
Alameda, CA 94501
Phone: (510) 747-4320
Email: vcooper@alamedahsg.org

General Partner(s) or Principal Owner(s): ICD Mabuhay LLC
General Partner Type: Nonprofit
Parent Company(ies): Island City Development
Developer: Island City Development
Bond Issuer: California Municipal Finance Authority
Investor/Consultant: Community Economics, Inc.
Management Agent: FPI Management, Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 64
No. / % of Low Income Units: 63 100.00%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (40 Units - 63%)

Information

Housing Type: Seniors
 Geographic Area: East Bay Region
 CTCAC Project Analyst: Jacob Paixao

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	38	60%
40% AMI:	25	40%

Unit Mix

40 SRO/Studio Units
23 1-Bedroom Units
1 2-Bedroom Units
64 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
1 SRO/Studio	30%	\$750
7 SRO/Studio	30%	\$750
7 SRO/Studio	30%	\$750
3 SRO/Studio	40%	\$1,000
22 SRO/Studio	40%	\$1,000
6 1 Bedroom	30%	\$803
17 1 Bedroom	30%	\$803
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,689,924
Construction Costs	\$28,985,921
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$3,079,802
Soft Cost Contingency	\$500,000
Relocation	\$0
Architectural/Engineering	\$1,186,162
Const. Interest, Perm. Financing	\$4,592,373
Legal Fees	\$225,000
Reserves	\$578,630
Other Costs	\$4,867,110
Developer Fee	\$3,000,000
Commercial Costs	\$0
Total	\$49,704,921

Residential

Construction Cost Per Square Foot:	\$616
Per Unit Cost:	\$776,639
True Cash Per Unit Cost*:	\$760,205

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
JPMorgan Chase Bank: Tax-Exempt	\$25,184,366	JPMorgan Chase Bank	\$3,184,300
JPMorgan Chase Bank: Taxable	\$13,567,397	HCD: MHP	\$13,474,995
HCD: IIG	\$2,293,116	HCD: VHHP	\$4,867,201
Alameda Housing Authority	\$3,538,000	HCD: IIG	\$2,293,116
General Partner Equity	\$100	Alameda Housing Authority	\$3,538,000
Tax Credit Equity	\$2,148,413	General Partner Equity	\$100
		Deferred Developer Fee	\$1,051,776
		Tax Credit Equity	\$21,295,433
		TOTAL	\$49,704,921

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$43,957,205
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$57,144,367
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,285,775
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,000,000
Investor/Consultant:	Community Economics, Inc.
Federal Tax Credit Factor:	\$0.93165

Except as allowed for projects basing cost on assumed third party debt, the "as if vacant" land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions:

Staff noted a per unit cost of \$776,639. The applicant noted the project is subject to federal and state requirements for prevailing wages and is estimated to be approximately 20%-25% above traditional hard costs.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee's next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

If points were awarded by CDLAC for housing type, the project shall comply with the housing type requirements at the time of CTCAC's Placed In Service review. The housing type requirement shall be conditioned in the CTCAC Regulatory Agreement and CTCAC Compliance staff shall verify the project is meeting those housing type requirements, consistent with California Code of Regulations, title 4, section 10322(i).